

Fill in this information to identify the case:

United States Bankruptcy Court for the:

_____ District of _____
(State)

Case number (if known): _____ Chapter _____

☐ Check if this is an amended filing

Official Form 201

Voluntary Petition for Non-Individuals Filing for Bankruptcy

04/20

If more space is needed, attach a separate sheet to this form. On the top of any additional pages, write the debtor's name and the case number (if known). For more information, a separate document, *Instructions for Bankruptcy Forms for Non-Individuals*, is available.

1. Debtor's name

Target Drilling, Inc.

2. All other names debtor used in the last 8 years

Include any assumed names, trade names, and *doing business* as names

3. Debtor's federal Employer Identification Number (EIN)

2 3 - 2 9 4 2 5 8 8

4. Debtor's address

Principal place of business

1112 Glacier Dr.

Number Street

Smithton PA 15479

City State ZIP Code

Westmoreland

County

Mailing address, if different from principal place of business

Number Street

P.O. Box

City State ZIP Code

Location of principal assets, if different from principal place of business

Number Street

City State ZIP Code

5. Debtor's website (URL)

WWW.TARGETDRILLING.COM

Debtor Target Drilling, Inc. Case number (if known) _____
Name

6. Type of debtor

- ☒ Corporation (including Limited Liability Company (LLC) and Limited Liability Partnership (LLP))
☐ Partnership (excluding LLP)
☐ Other. Specify: _____

7. Describe debtor's business

A. Check one:

- ☐ Health Care Business (as defined in 11 U.S.C. § 101(27A))
☐ Single Asset Real Estate (as defined in 11 U.S.C. § 101(51B))
☐ Railroad (as defined in 11 U.S.C. § 101(44))
☐ Stockbroker (as defined in 11 U.S.C. § 101(53A))
☐ Commodity Broker (as defined in 11 U.S.C. § 101(6))
☐ Clearing Bank (as defined in 11 U.S.C. § 781(3))
☒ None of the above

B. Check all that apply:

- ☐ Tax-exempt entity (as described in 26 U.S.C. § 501)
☐ Investment company, including hedge fund or pooled investment vehicle (as defined in 15 U.S.C. § 80a-3)
☐ Investment advisor (as defined in 15 U.S.C. § 80b-2(a)(11))

C. NAICS (North American Industry Classification System) 4-digit code that best describes debtor. See <http://www.uscourts.gov/four-digit-national-association-naics-codes>.

8. Under which chapter of the Bankruptcy Code is the debtor filing?

Check one:

- ☐ Chapter 7
☐ Chapter 9
☒ Chapter 11. Check all that apply:

A debtor who is a "small business debtor" must check the first sub-box. A debtor as defined in § 1182(1) who elects to proceed under subchapter V of chapter 11 (whether or not the debtor is a "small business debtor") must check the second sub-box.

- ☒ The debtor is a small business debtor as defined in 11 U.S.C. § 101(51D), and its aggregate noncontingent liquidated debts (excluding debts owed to insiders or affiliates) are less than \$2,725,625. If this sub-box is selected, attach the most recent balance sheet, statement of operations, cash-flow statement, and federal income tax return or if any of these documents do not exist, follow the procedure in 11 U.S.C. § 1116(1)(B).
- ☒ The debtor is a debtor as defined in 11 U.S.C. § 1182(1), its aggregate noncontingent liquidated debts (excluding debts owed to insiders or affiliates) are less than \$7,500,000, and it chooses to proceed under Subchapter V of Chapter 11. If this sub-box is selected, attach the most recent balance sheet, statement of operations, cash-flow statement, and federal income tax return, or if any of these documents do not exist, follow the procedure in 11 U.S.C. § 1116(1)(B).
- ☐ A plan is being filed with this petition.
- ☐ Acceptances of the plan were solicited prepetition from one or more classes of creditors, in accordance with 11 U.S.C. § 1126(b).
- ☐ The debtor is required to file periodic reports (for example, 10K and 10Q) with the Securities and Exchange Commission according to § 13 or 15(d) of the Securities Exchange Act of 1934. File the Attachment to Voluntary Petition for Non-Individuals Filing for Bankruptcy under Chapter 11 (Official Form 201A) with this form.
- ☐ The debtor is a shell company as defined in the Securities Exchange Act of 1934 Rule 12b-2.
- ☐ Chapter 12

Debtor Target Drilling, Inc. Case number (if known) _____
Name

9. Were prior bankruptcy cases filed by or against the debtor within the last 8 years? ☒ No
☐ Yes. District _____ When _____ Case number _____
MM / DD / YYYY
If more than 2 cases, attach a separate list. District _____ When _____ Case number _____
MM / DD / YYYY

10. Are any bankruptcy cases pending or being filed by a business partner or an affiliate of the debtor? ☒ No
☐ Yes. Debtor _____ Relationship _____
District _____ When _____
MM / DD / YYYY
List all cases. If more than 1, attach a separate list. Case number, if known _____

11. Why is the case filed in this district? Check all that apply:
☒ Debtor has had its domicile, principal place of business, or principal assets in this district for 180 days immediately preceding the date of this petition or for a longer part of such 180 days than in any other district.
☐ A bankruptcy case concerning debtor's affiliate, general partner, or partnership is pending in this district.

12. Does the debtor own or have possession of any real property or personal property that needs immediate attention? ☒ No
☐ Yes. Answer below for each property that needs immediate attention. Attach additional sheets if needed.
Why does the property need immediate attention? (Check all that apply.)
☐ It poses or is alleged to pose a threat of imminent and identifiable hazard to public health or safety.
What is the hazard? _____
☐ It needs to be physically secured or protected from the weather.
☐ It includes perishable goods or assets that could quickly deteriorate or lose value without attention (for example, livestock, seasonal goods, meat, dairy, produce, or securities-related assets or other options).
☐ Other _____

Where is the property? _____
Number Street

City State ZIP Code

Is the property insured?
☐ No
☐ Yes. Insurance agency _____
Contact name _____
Phone _____

Statistical and administrative information

Debtor Target Drilling, Inc.
Name

Case number (if known) _____

13. Debtor's estimation of available funds

Check one:

- ☒ Funds will be available for distribution to unsecured creditors.
☐ After any administrative expenses are paid, no funds will be available for distribution to unsecured creditors.

14. Estimated number of creditors

- | | | |
|---|--|--|
| <input type="checkbox"/> 1-49 | <input type="checkbox"/> 1,000-5,000 | <input type="checkbox"/> 25,001-50,000 |
| <input checked="" type="checkbox"/> 50-99 | <input type="checkbox"/> 5,001-10,000 | <input type="checkbox"/> 50,001-100,000 |
| <input type="checkbox"/> 100-199 | <input type="checkbox"/> 10,001-25,000 | <input type="checkbox"/> More than 100,000 |
| <input type="checkbox"/> 200-999 | | |

15. Estimated assets

- | | | |
|--|--|--|
| <input type="checkbox"/> \$0-\$50,000 | <input checked="" type="checkbox"/> \$1,000,001-\$10 million | <input type="checkbox"/> \$500,000,001-\$1 billion |
| <input type="checkbox"/> \$50,001-\$100,000 | <input type="checkbox"/> \$10,000,001-\$50 million | <input type="checkbox"/> \$1,000,000,001-\$10 billion |
| <input type="checkbox"/> \$100,001-\$500,000 | <input type="checkbox"/> \$50,000,001-\$100 million | <input type="checkbox"/> \$10,000,000,001-\$50 billion |
| <input type="checkbox"/> \$500,001-\$1 million | <input type="checkbox"/> \$100,000,001-\$500 million | <input type="checkbox"/> More than \$50 billion |

16. Estimated liabilities

- | | | |
|--|--|--|
| <input type="checkbox"/> \$0-\$50,000 | <input checked="" type="checkbox"/> \$1,000,001-\$10 million | <input type="checkbox"/> \$500,000,001-\$1 billion |
| <input type="checkbox"/> \$50,001-\$100,000 | <input type="checkbox"/> \$10,000,001-\$50 million | <input type="checkbox"/> \$1,000,000,001-\$10 billion |
| <input type="checkbox"/> \$100,001-\$500,000 | <input type="checkbox"/> \$50,000,001-\$100 million | <input type="checkbox"/> \$10,000,000,001-\$50 billion |
| <input type="checkbox"/> \$500,001-\$1 million | <input type="checkbox"/> \$100,000,001-\$500 million | <input type="checkbox"/> More than \$50 billion |

Request for Relief, Declaration, and Signatures

WARNING — Bankruptcy fraud is a serious crime. Making a false statement in connection with a bankruptcy case can result in fines up to \$500,000 or imprisonment for up to 20 years, or both. 18 U.S.C. §§ 152, 1341, 1519, and 3571.

17. Declaration and signature of authorized representative of debtor

The debtor requests relief in accordance with the chapter of title 11, United States Code, specified in this petition.

I have been authorized to file this petition on behalf of the debtor.

I have examined the information in this petition and have a reasonable belief that the information is true and correct.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on 10 / 09 / 2020
MM / DD / YYYY

X

Signature of authorized representative of debtor

Stephen J. Kravits

Printed name

Title President / CEO

Debtor	<u>Target Drilling, Inc.</u>	Case number (if known)		
Name				
18. Signature of attorney	x <u>William R. Lauer</u>	Date	<u>10 / 09 / 2020</u>	
	Signature of attorney for debtor		MM / DD / YYYY	
	<u>William R. Lauer</u>			
	Printed name			
	<u>William R. Lauer, Esq.</u>			
	Firm name			
	<u>P.O. Box 10152</u>			
	Number Street			
	<u>Pittsburgh</u>	PA	<u>15237</u>	
	City	State	ZIP Code	
	<u>412-638-6909</u>	<u>wrl@alleghenycapital.com</u>		
	Contact phone	Email address		
	<u>29484</u>	PA		
	Bar number	State		

Target Drilling Inc.**Balance Sheet****As of September 30, 2020**

10:20 AM

10/08/20

Accrual Basis

	Sep 30, 20
ASSETS	
Current Assets	
Checking/Savings	77,369.42
Accounts Receivable	
12000 · Accounts Receivable	28,101.28
Total Accounts Receivable	28,101.28
Other Current Assets	373,847.95
Total Current Assets	479,318.65
Fixed Assets	2,776,211.35
Other Assets	922,934.00
TOTAL ASSETS	4,178,464.00
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
22000 · Accounts Payable	201,032.53
Total Accounts Payable	201,032.53
Other Current Liabilities	436,150.52
Total Current Liabilities	637,183.05
Long Term Liabilities	2,377,163.25
Total Liabilities	3,014,346.30
Equity	1,164,117.70
TOTAL LIABILITIES & EQUITY	4,178,464.00

10:19 AM

10/08/20

Accrual Basis

Target Drilling Inc.
Profit & Loss
January through September 2020

	Jan - Sep 20
Ordinary Income/Expense	
Income	720,167.08
Cost of Goods Sold	1,089,692.91
Gross Profit	-369,525.83
Expense	515,564.07
Net Ordinary Income	-885,089.90
Other Income/Expense	
Other Income	21,788.98
Other Expense	
91000 - Federal Income Tax	-229,800.00
91001 - State Taxes	-67,311.00
Total Other Expense	-297,111.00
Net Other Income	318,899.98
Net Income	-566,189.92

10:21 AM

10/08/20

Target Drilling Inc.

Statement of Cash Flows

January through September 2020

	Jan - Sep 20
OPERATING ACTIVITIES	
Net Income	-566,189.92
Adjustments to reconcile Net Income to net cash provided by operations:	
12000 · Accounts Receivable	-18,301.28
12099 · Employee Advances	12,927.02
22000 · Accounts Payable	81,412.07
21000 · Accrued Payroll	11,982.00
21001 · Corporate Taxes Payable	-1,000.00
21010 · Bluevine #3	28,000.00
21011 · PIRS Capital Jan 2020	286,070.45
21012 · PIRS Capital #2	-26,468.00
21013 · Bluevine Loan #2	-6,791.18
21014 · Bluevine	-3,017.75
21015 · PIRS Capital #1	-98,796.00
Net cash provided by Operating Activities	-300,172.59
INVESTING ACTIVITIES	
13899 · Vehicles/Tractors/Trailers (Sur	3,820.10
15398 · Accum Depr - Vehicles/Tractors	-52,418.28
15399 · Accum. Depr - Underground	56,685.12
15699 · Accum. Depr - Surface	69,314.86
16099 · Accum Depr - Real Estate	32,053.60
16204 · Note Receivable	2,590.00
19985 · Deferred Tax Asset	-296,646.00
19988 · Investment/Guardian	-15,364.71
Net cash provided by Investing Activities	-199,965.31
FINANCING ACTIVITIES	
21033 · HDD Air Hammer System	-1,643.00
21034 · Ford Credit F550	-9,499.00
21035 · Toyota Financial 2019 Vin 07764	-6,261.00
21045 · Line Of Credit	-2,000.00
21046 · Stearns Lona Reamers, HDD Pipe	-6,241.64
21047 · Pawnee Loan NT Drill Pipe	-4,760.00
21048 · Targeted Lease Capital AOH Pipe	-293.11
21050 · Silver Hill Mortgage	-3,030.00
21051 · Pawnee April 2019 Loan	-6,300.00
21052 · 2020 RAV4 Toyota Financial	25,909.00
21053 · 2020 Tundra Toyota Financial	44,891.00
21054 · Paycheck Protect Prog. COVID-19	260,000.00
21055 · EIDL SBA June 2020 Loan	150,000.00
32000 · Treasury Stock	-24,333.32
32001 · Capital Stock	-2,700.00
Net cash provided by Financing Activities	413,738.93
Net cash increase for period	-86,398.97
Cash at beginning of period	163,768.39
Cash at end of period	<u><u>77,369.42</u></u>

A Check if:
1a Consolidated return (attach Form 851) ☐
b Life/nonlife consolidated return ☐
2 Personal holding co. (attach Sch. PH) ☐
3 Personal service corp. (see instructions) ☐
4 Schedule M-3 attached ☐

TYPE OR PRINT
Name
TARGET DRILLING INC
Number, street, and room or suite no. If a P.O. box, see instructions.
1112 GLACIER DRIVE
City or town, state or province, country and ZIP or foreign postal code
SMITHTON PA 15479

B Employer identification number
23-2942588
C Date incorporated
01-08-1998
D Total assets (see instructions)
\$ 4,059,523

E Check if: (1) ☐ Initial return (2) ☐ Final return (3) ☐ Name change (4) ☐ Address change

Income	1a	Gross receipts or sales	3,219,316	1a	3,219,316
	b	Returns and allowances		1b	
	c	Balance. Subtract line 1b from line 1a		1c	3,219,316
	2	Cost of goods sold (attach Form 1125-A)		2	4,187,958
	3	Gross profit. Subtract line 2 from line 1c		3	(968,642)
	4	Dividends and inclusions (Schedule C, line 23)		4	
	5	Interest		5	960
	6	Gross rents		6	
	7	Gross royalties		7	
	8	Capital gain net income (attach Schedule D (Form 1120))		8	
	9	Net gain or (loss) from Form 4797, Part II, line 17 (attach Form 4797)		9	37,787
Deductions (See instructions for limitations on deductions.)	10	Other income (see instructions - attach statement)	Statement #1.	10	28,600
	11	Total income. Add lines 3 through 10		11	(901,295)
	12	Compensation of officers (see instructions - attach Form 1125-E)		12	352,806
	13	Salaries and wages (less employment credits)		13	174,519
	14	Repairs and maintenance		14	
	15	Bad debts		15	143,443
	16	Rents		16	
	17	Taxes and licenses	Wks. Tax/Lic.	17	(166,197)
	18	Interest (see instructions)		18	228,469
	19	Charitable contributions		19	
	20	Depreciation from Form 4562 not claimed on Form 1125-A or elsewhere on return (attach Form 4562)		20	
Tax, Refundable Credits, & Payments	21	Depletion		21	
	22	Advertising		22	600
	23	Pension, profit-sharing, etc., plans		23	
	24	Employee benefit programs		24	
	25	Reserved for future use		25	
	26	Other deductions (attach statement)	Statement #5.	26	290,042
	27	Total deductions. Add lines 12 through 26		27	1,023,682
	28	Taxable income before net operating loss deduction and special deductions. Subtract line 27 from line 11		28	(1,924,977)
	29a	Net operating loss deduction (see instructions)	29a		
	b	Special deductions (Schedule C, line 24)	29b		
	c	Add lines 29a and 29b		29c	
	30	Taxable income. Subtract line 29c from line 28. See instructions		30	(1,924,977)
	31	Total tax (Schedule J, Part I, line 11)		31	0
	32	2019 net 965 tax liability paid (Schedule J, Part II, line 12)		32	
	33	Total payments, credits, and section 965 net tax liability (Schedule J, Part III, line 23)		33	
	34	Estimated tax penalty. See instructions. Check if Form 2220 is attached <input type="checkbox"/>		34	
	35	Amount owed. If line 33 is smaller than the total of lines 31, 32, and 34, enter amount owed		35	
	36	Overpayment. If line 33 is larger than the total of lines 31, 32, and 34, enter amount overpaid		36	
37 Enter amount from line 36 you want: Credited to 2020 estimated tax ▶ Refunded ▶				37	

Sign Here
DONALD WILLIAMS
Signature of officer
CFO
Title

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

May the IRS discuss this return with the preparer shown below? See instructions. ☒ Yes ☐ No

Paid Preparer Use Only
Print/Type preparer's name
BERNARD A DEVERSON
Preparer's signature
02-19-2020
Date
Check ☐ if self-employed PTIN **P00948315**

Firm's name ▶ **DEVERSON, TANACK & WILLISON** Firm's EIN ▶ **25-1320431**
Firm's address ▶ **1121 BOYCE ROAD - SUITE 500** Phone no.
PITTSBURGH PA 15241 **(724) 942-4334**

For Paperwork Reduction Act Notice, see separate instructions.

Form 1120 (2019)

Form 1120 (2019)

TARGET DRILLING INC

23-2942588

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Schedule C Dividends, Inclusions, and Special Deductions (see instructions)		(a) Dividends and inclusions	(b) %	(c) Special deductions (a) x (b)
1	Dividends from less-than-20%-owned domestic corporations (other than debt-financed stock)		50	
2	Dividends from 20%-or-more-owned domestic corporations (other than debt-financed stock)		65	
3	Dividends on certain debt-financed stock of domestic and foreign corporations		see instructions	
4	Dividends on certain preferred stock of less-than-20%-owned public utilities		23.3	
5	Dividends on certain preferred stock of 20%-or-more-owned public utilities		26.7	
6	Dividends from less-than-20%-owned foreign corporations and certain FSCs		50	
7	Dividends from 20%-or-more-owned foreign corporations and certain FSCs		65	
8	Dividends from wholly owned foreign subsidiaries		100	
9	Subtotal. Add lines 1 through 8. See instructions for limitations		see instructions	
10	Dividends from domestic corporations received by a small business investment company operating under the Small Business Investment Act of 1958.		100	
11	Dividends from affiliated group members		100	
12	Dividends from certain FSCs		100	
13	Foreign-source portion of dividends received from a specified 10%-owned foreign corporation (excluding hybrid dividends) (see instructions)		100	
14	Dividends from foreign corporations not included on line 3, 6, 7, 8, 11, 12, or 13 (including any hybrid dividends)			
15	Section 965(a) inclusion		see instructions	
16a	Subpart F inclusions derived from the sale by a controlled foreign corporation (CFC) of the stock of a lower-tier foreign corporation treated as a dividend (attach Form(s) 5471) (see instructions)		100	
b	Subpart F inclusions derived from hybrid dividends of tiered corporations (attach Form(s) 5471) (see instructions)			
c	Other inclusions from CFCs under subpart F not included on line 15, 16a, 16b, or 17 (attach Form(s) 5471) (see instructions)			
17	Global Intangible Low-Taxed Income (GILTI)(attach Form(s) 5471 and Form 8992)			
18	Gross-up for foreign taxes deemed paid			
19	IC-DISC and former DISC dividends not included on line 1, 2, or 3			
20	Other dividends			
21	Deduction for dividends paid on certain preferred stock of public utilities.			
22	Section 250 deduction (attach Form 8993)			
23	Total dividends and inclusions. Add column (a), lines 9 through 20. Enter here and on page 1, line 4			
24	Total special deductions. Add column (c), lines 9 through 22. Enter here and on page 1, line 29b ▶			

Schedule J Tax Computation and Payment (see instructions)**Part I - Tax Computation**

1	Check if the corporation is a member of a controlled group (attach Schedule O (Form 1120)). See instructions ▶ <input type="checkbox"/>		
2	Income tax. See instructions	2	0
3	Base erosion minimum tax (attach Form 8991)	3	
4	Add lines 2 and 3	4	0
5a	Foreign tax credit (attach Form 1118)	5a	0
b	Credit from Form 8834 (see instructions)	5b	
c	General business credit (attach Form 3800)	5c	
d	Credit for prior year minimum tax (attach Form 8827)	5d	
e	Bond credits from Form 8912	5e	
6	Total credits. Add lines 5a through 5e.	6	
7	Subtract line 6 from line 4	7	0
8	Personal holding company tax (attach Schedule PH (Form 1120))	8	0
9a	Recapture of investment credit (attach Form 4255)	9a	
b	Recapture of low-income housing credit (attach Form 8611)	9b	
c	Interest due under the look-back method - completed long-term contracts (attach Form 8697)	9c	
d	Interest due under the look-back method - income forecast method (attach Form 8866)	9d	
e	Alternative tax on qualifying shipping activities (attach Form 8902)	9e	
f	Other (see instructions - attach statement)	9f	
10	Total. Add lines 9a through 9f.	10	
11	Total tax. Add lines 7, 8, and 10. Enter here and on page 1, line 31.	11	0

Part II - Section 965 Payments (see instructions)

12	2019 net 965 tax liability paid from Form 965-B, Part II, column (k), line 3. Enter here and on page 1, line 32	12	
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Part III - Payments, Refundable Credits, and Section 965 Net Tax Liability

13	2018 overpayment credited to 2019	13	
14	2019 estimated tax payments	14	
15	2019 refund applied for on Form 4466	15	()
16	Combine lines 13, 14, and 15	16	
17	Tax deposited with Form 7004	17	
18	Withholding (see instructions)	18	
19	Total payments. Add lines 16, 17, and 18.	19	
20	Refundable credits from:		
a	Form 2439	20a	
b	Form 4136	20b	
c	Form 8827, line 5c	20c	
d	Other (attach statement - see instructions)	20d	
21	Total credits. Add lines 20a through 20d.	21	
22	2019 net 965 tax liability from Form 965-B, Part I, column (d), line 3. See instructions.	22	
23	Total payments, credits, and section 965 net tax liability Add lines 19, 21, and 22. Enter here and on page 1, line 33	23	

Form 1120 (2019)

TARGET DRILLING INC

23-2942588

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Schedule K Other Information (see instructions)

1 Check accounting method: a <input type="checkbox"/> Cash b <input checked="" type="checkbox"/> Accrual c <input type="checkbox"/> Other (specify) ▶ _____	Yes	No
2 See the instructions and enter the:		
a Business activity code no. ▶ 213110		
b Business activity ▶ DIRECTION.DRILLING		
c Product or service ▶ MINING SERVICE		
3 Is the corporation a subsidiary in an affiliated group or a parent-subsidary controlled group? If "Yes," enter name and EIN of the parent corporation ▶ _____		X
4 At the end of the tax year:		
a Did any foreign or domestic corporation, partnership (including any entity treated as a partnership), trust, or tax-exempt organization own directly 20% or more, or own, directly or indirectly, 50% or more of the total voting power of all classes of the corporation's stock entitled to vote? If "Yes," complete Part I of Schedule G (Form 1120) (attach Schedule G)		X
b Did any individual or estate own directly 20% or more, or own, directly or indirectly, 50% or more of the total voting power of all classes of the corporation's stock entitled to vote? If "Yes," complete Part II of Schedule G (Form 1120) (attach Schedule G)	X	
5 At the end of the tax year, did the corporation:		
a Own directly 20% or more, or own, directly or indirectly, 50% or more of the total voting power of all classes of stock entitled to vote of any foreign or domestic corporation not included on Form 851 , Affiliations Schedule? For rules of constructive ownership, see instructions. If "Yes," complete (i) through (iv) below.		X

(i) Name of Corporation	(ii) Employer Identification Number (if any)	(iii) Country of Incorporation	(iv) Percentage Owned in Voting Stock

(i) Name of Entity	(ii) Employer Identification Number (if any)	(iii) Country of Organization	(iv) Maximum Percentage Owned in Profit, Loss, or Capital

b Own directly an interest of 20% or more, or own, directly or indirectly, an interest of 50% or more in any foreign or domestic partnership (including an entity treated as a partnership) or in the beneficial interest of a trust? For rules of constructive ownership, see instructions If "Yes," complete (i) through (iv) below.		X
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6 During this tax year, did the corporation pay dividends (other than stock dividends and distributions in exchange for stock) in excess of the corporation's current and accumulated earnings and profits? See sections 301 and 316 If "Yes," file Form 5452 , Corporate Report of Nondividend Distributions. See the instructions for Form 5452. If this is a consolidated return, answer here for the parent corporation and on Form 851 for each subsidiary.		X
7 At any time during the tax year, did one foreign person own, directly or indirectly, at least 25% of the total voting power of all classes of the corporation's stock entitled to vote or at least 25% of the total value of all classes of the corporation's stock? For rules of attribution, see section 318. If "Yes," enter: (a) Percentage owned ▶ _____ and (b) Owner's country ▶ _____ (c) The corporation may have to file Form 5472 , Information Return of a 25% Foreign-Owned U.S. Corporation or a Foreign Corporation Engaged in a U.S. Trade or Business. Enter the number of Forms 5472 attached ▶ 0		X
8 Check this box if the corporation issued publicly offered debt instruments with original issue discount ▶ <input type="checkbox"/> If checked, the corporation may have to file Form 8281 , Information Return for Publicly Offered Original Issue Discount Instruments.		
9 Enter the amount of tax-exempt interest received or accrued during the tax year ▶ \$ _____		
10 Enter the number of shareholders at the end of the tax year (if 100 or fewer) ▶ 1		
11 If the corporation has an NOL for the tax year and is electing to forego the carryback period, check here (see instructions) ▶ <input type="checkbox"/> If the corporation is filing a consolidated return, the statement required by Regulations section 1.1502-21(b)(3) must be attached or the election will not be valid.		
12 Enter the available NOL carryover from prior tax years (do not reduce it by any deduction reported on page 1, line 29a.) ▶ \$ 726,094		

Schedule K**Other Information** (continued from page 4)

	Yes	No
13 Are the corporation's total receipts (page 1, line 1a, plus lines 4 through 10) for the tax year and its total assets at the end of the tax year less than \$250,000?		X
If "Yes," the corporation is not required to complete Schedules L, M-1, and M-2. Instead, enter the total amount of cash distributions and the book value of property distributions (other than cash) made during the tax year ► \$ _____		
14 Is the corporation required to file Schedule UTP (Form 1120), Uncertain Tax Position Statement? See instructions		X
If "Yes," complete and attach Schedule UTP.		
15a Did the corporation make any payments in 2019 that would require it to file Form(s) 1099?	X	
b If "Yes," did or will the corporation file required Form(s) 1099?	X	
16 During this tax year, did the corporation have an 80% or more change in ownership, including a change due to redemption of its own stock?		X
17 During or subsequent to this tax year, but before the filing of this return, did the corporation dispose of more than 65% (by value) of its assets in a taxable, non-taxable, or tax deferred transaction?		X
18 Did the corporation receive assets in a section 351 transfer in which any of the transferred assets had a fair market basis or fair market value of more than \$1 million?		X
19 During the corporation's tax year, did the corporation make any payments that would require it to file Forms 1042 and 1042-S under chapter 3 (sections 1441 through 1464) or chapter 4 (sections 1471 through 1474) of the Code?		X
20 Is the corporation operating on a cooperative basis?		X
21 During the tax year, did the corporation pay or accrue any interest or royalty for which the deduction is not allowed under section 267A? See instructions		X
If "Yes," enter the total amount of the disallowed deductions ► \$ _____		
22 Does the corporation have gross receipts of at least \$500 million in any of the 3 preceding tax years? (See sections 59A(e)(2) and (3))		X
If "Yes," complete and attach Form 8991.		
23 Did the corporation have an election under section 163(j) for any real property trade or business or any farming business in effect during the tax year? See instructions		X
24 Does the corporation satisfy one or more of the following conditions? See instructions.		X
a The corporation owns a pass-through entity with current, or prior year carryover, excess business interest expense.		
b The corporation's aggregate average annual gross receipts (determined under section 448(c)) for the 3 tax years preceding the current tax year are more than \$26 million and the corporation has business interest expense.		
c The corporation is a tax shelter and the corporation has business interest expense.		
If "Yes," to any, complete and attach Form 8990.		
25 Is the corporation attaching Form 8996 to certify as a Qualified Opportunity Fund?		X
If "Yes," enter amount from Form 8996, line 14 ► \$ _____		

Form 1120 (2019)

TARGET DRILLING INC

23-2942588

Page 6

Schedule L Balance Sheets per Books		Beginning of tax year		End of tax year	
Assets		(a)	(b)	(c)	(d)
1	Cash		259,818		163,768
2a	Trade notes and accounts receivable	500,308		9,800	
b	Less allowance for bad debts	()	500,308	()	9,800
3	Inventories				
4	U.S. government obligations				
5	Tax-exempt securities (see instructions)				
6	Other current assets (attach statement)	Statement #8	17,190		18,268
7	Loans to shareholders				
8	Mortgage and real estate loans				
9	Other investments (attach statement)				
10a	Buildings and other depreciable assets	7,361,288		7,414,217	
b	Less accumulated depreciation	(4,705,650)	2,655,638	(4,686,331)	2,727,886
11a	Depletable assets				
b	Less accumulated depletion	()		()	
12	Land (net of any amortization)		157,780		157,780
13a	Intangible assets (amortizable only)	23,427		23,427	
b	Less accumulated amortization	(23,427)		(23,427)	
14	Other assets (attach statement)	Statement #10	1,789,168		982,021
15	Total assets		5,379,902		4,059,523
Liabilities and Shareholders' Equity					
16	Accounts payable		299,863		119,620
17	Mortgages, notes, bonds payable in less than 1 year		162,425		731,033
18	Other current liabilities (attach statement)	Statement #11	71,905		9,744
19	Loans from shareholders				
20	Mortgages, notes, bonds payable in 1 year or more		1,283,433		1,272,951
21	Other liabilities (attach statement)	Statement #12	78,314		168,833
22	Capital stock: a Preferred stock				
	b Common stock	1,000	1,000	1,000	1,000
23	Additional paid-in capital		6,684,999		6,684,999
24	Retained earnings-Appropriated (attach statement)				
25	Retained earnings-Unappropriated		(2,815,851)		(4,477,471)
26	Adjustments to shareholders' equity (attach statement)				
27	Less cost of treasury stock		(386,186)		(451,186)
28	Total liabilities and shareholders' equity		5,379,902		4,059,523

Schedule M-1 Reconciliation of Income (Loss) per Books With Income per Return**Note:** The corporation may be required to file Schedule M-3. See instructions.

1	Net income (loss) per books	(1,661,620)	7	Income recorded on books this year not included on this return (itemize):	
2	Federal income tax per books	(217,400)		Tax-exempt interest \$ _____	
3	Excess of capital losses over capital gains				
4	Income subject to tax not recorded on books this year (itemize): _____				
	Statement #15 5,757	5,757	8	Deductions on this return not charged against book income this year (itemize):	
5	Expenses recorded on books this year not deducted on this return (itemize):			a Depreciation \$ 195,897	
a	Depreciation \$ _____			b Charitable contributions \$ _____	
b	Charitable contributions \$ _____				
c	Travel and entertainment \$ _____				
	Statement #16 144,183	144,183			195,897
6	Add lines 1 through 5	(1,729,080)	9	Add lines 7 and 8	195,897
			10	Income (page 1, line 28)-line 6 less line 9	(1,924,977)

Schedule M-2 Analysis of Unappropriated Retained Earnings per Books (Line 25, Schedule L)

1	Balance at beginning of year	(2,815,851)	5	Distributions: a Cash	
2	Net income (loss) per books	(1,661,620)		b Stock	
3	Other increases (itemize): _____			c Property	
			6	Other decreases (itemize): _____	
			7	Add lines 5 and 6	
4	Add lines 1, 2, and 3	(4,477,471)	8	Balance at end of year (line 4 less line 7)	(4,477,471)

Form **1125-A**

(Rev. November 2018)

Department of the Treasury
Internal Revenue Service**Cost of Goods Sold**▶ **Attach to Form 1120, 1120-C, 1120-F, 1120S, or 1065.**▶ **Go to www.irs.gov/Form1125A for the latest information.**

OMB No. 1545-0123

Name TARGET DRILLING INC		Employer identification number 23-2942588
1	Inventory at beginning of year	1
2	Purchases	2 156,997
3	Cost of labor	3 973,557
4	Additional section 263A costs (attach schedule)	4
5	Other costs (attach schedule) Statement #7.	5 3,057,404
6	Total. Add lines 1 through 5	6 4,187,958
7	Inventory at end of year	7
8	Cost of goods sold. Subtract line 7 from line 6. Enter here and on Form 1120, page 1, line 2 or the appropriate line of your tax return. See instructions	8 4,187,958
9a Check all methods used for valuing closing inventory:		
(i) <input type="checkbox"/> Cost		
(ii) <input type="checkbox"/> Lower of cost or market		
(iii) <input type="checkbox"/> Other (Specify method used and attach explanation.) ▶		
b	Check if there was a writedown of subnormal goods ▶	<input type="checkbox"/>
c	Check if the LIFO inventory method was adopted this tax year for any goods (if checked, attach Form 970) ▶	<input type="checkbox"/>
d	If the LIFO inventory method was used for this tax year, enter amount of closing inventory computed under LIFO	9d
e	If property is produced or acquired for resale, do the rules of section 263A apply to the entity? See instructions	<input type="checkbox"/> Yes <input type="checkbox"/> No
f	Was there any change in determining quantities, cost, or valuations between opening and closing inventory? If "Yes," attach explanation	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

Name _____

Employer identification number (EIN)

TARGET DRILLING INC

23-2942588

Part I

Certain Entities Owning the Corporation's Voting Stock. (Form 1120, Schedule K, Question 4a). Complete columns (i) through (v) below for any foreign or domestic corporation, partnership (including any entity treated as a partnership), trust, or tax-exempt organization that owns directly 20% or more, or owns, directly or indirectly, 50% or more of the total voting power of all classes of the corporation's stock entitled to vote (see instructions).

[illegible]

Part II

Certain Individuals and Estates Owning the Corporation's Voting Stock. (Form 1120, Schedule K, Question 4b). Complete columns (i) through (iv) below for any individual or estate that owns directly 20% or more, or owns, directly or indirectly, 50% or more of the total voting power of all classes of the corporation's stock entitled to vote (see instructions).

[illegible]

Form

4562**Depreciation and Amortization**
(Including Information on Listed Property)

OMB No. 1545-0172

2019Attachment
Sequence No. **179**Department of the Treasury
Internal Revenue Service (99)

▶ Attach to your tax return.

▶ Go to www.irs.gov/Form4562 for instructions and the latest information.

Name(s) shown on return

Business or activity to which this form relates

Identifying number

TARGET DRILLING INC**1125-A - 1****23-2942588****Part I Election To Expense Certain Property Under Section 179****Note:** If you have any listed property, complete Part V before you complete Part I.

1	Maximum amount (see instructions)	1	
2	Total cost of section 179 property placed in service (see instructions).	2	
3	Threshold cost of section 179 property before reduction in limitation (see instructions).	3	
4	Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0-	4	
5	Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see instructions	5	
6	(a) Description of property	(b) Cost (business use only)	(c) Elected cost
7	Listed property. Enter the amount from line 29	7	
8	Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7	8	
9	Tentative deduction. Enter the smaller of line 5 or line 8	9	
10	Carryover of disallowed deduction from line 13 of your 2018 Form 4562	10	
11	Business income limitation. Enter the smaller of business income (not less than zero) or line 5. See instructions	11	
12	Section 179 expense deduction. Add lines 9 and 10, but don't enter more than line 11.	12	
13	Carryover of disallowed deduction to 2020. Add lines 9 and 10, less line 12	13	

Note: Don't use Part II or Part III below for listed property. Instead, use Part V.**Part II Special Depreciation Allowance and Other Depreciation (Don't include listed property. See instructions.)**

14	Special depreciation allowance for qualified property (other than listed property) placed in service during the tax year. See instructions	14	279,375
15	Property subject to section 168(f)(1) election	15	
16	Other depreciation (including ACRS)	16	39,829

Part III MACRS Depreciation (Don't include listed property. See instructions.)**Section A**

17	MACRS deductions for assets placed in service in tax years beginning before 2019.	17	63,397
18	If you are electing to group any assets placed in service during the tax year into one or more general asset accounts, check here <input type="checkbox"/>		

Section B - Assets Placed in Service During 2019 Tax Year Using the General Depreciation System

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only-see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
19a 3-year property						
b 5-year property						
c 7-year property						
d 10-year property						
e 15-year property						
f 20-year property						
g 25-year property			25 yrs.		S/L	
h Residential rental property			27.5 yrs.	MM	S/L	
i Nonresidential real property			39 yrs.	MM	S/L	

Section C - Assets Placed in Service During 2019 Tax Year Using the Alternative Depreciation System

20a Class life					S/L	
b 12-year			12 yrs.		S/L	
c 30-year			30 yrs.	MM	S/L	
d 40-year			40 yrs.	MM	S/L	

Part IV Summary (See instructions.)

21	Listed property. Enter amount from line 28	21	11,602
22	Total. Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21. Enter here and on the appropriate lines of your return. Partnerships and S corporations - see instructions	22	394,203
23	For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	23	

For Paperwork Reduction Act Notice, see separate instructions.

Form **4562** (2019)

Part V Listed Property (Include automobiles, certain other vehicles, certain aircraft, and property used for entertainment, recreation, or amusement.)

Note: For any vehicle for which you are using the standard mileage rate or deducting lease expense, complete **only** 24a, 24b, columns (a) through (c) of Section A, all of Section B, and Section C if applicable.

Section A - Depreciation and Other Information (Caution: See the instructions for limits for passenger automobiles.)

24a Do you have evidence to support the business/investment use claimed? ☐ **Yes** ☐ **No** **24b** If "Yes," is the evidence written? ☐ **Yes** ☐ **No**

(a) Type of property (list vehicles first)	(b) Date placed in service	(c) Business/ investment use percentage	(d) Cost or other basis	(e) Basis for depreciation (business/investment use only)	(f) Recovery period	(g) Method/ Convention	(h) Depreciation deduction	(i) Elected section 179 cost
25 Special depreciation allowance for qualified listed property placed in service during the tax year and used more than 50% in a qualified business use. See instructions							25	
26 Property used more than 50% in a qualified business use:								
99 FORD F250	08-01-1998	100.0%	32,977	32,977				
2017 FORD F550	03-06-2017	100.0%	60,428	60,428	5	200 DB-HY	11,602	
		%						
27 Property used 50% or less in a qualified business use:								
		%				S/L-		
		%				S/L-		
		%				S/L-		
28 Add amounts in column (h), lines 25 through 27. Enter here and on line 21, page 1							28	11,602
29 Add amounts in column (i), line 26. Enter here and on line 7, page 1							29	

Section B - Information on Use of Vehicles

Complete this section for vehicles used by a sole proprietor, partner, or other "more than 5% owner," or related person. If you provided vehicles to your employees, first answer the questions in Section C to see if you meet an exception to completing this section for those vehicles.

	(a) Vehicle 1	(b) Vehicle 2	(c) Vehicle 3	(d) Vehicle 4	(e) Vehicle 5	(f) Vehicle 6
30 Total business/investment miles driven during the year (don't include commuting miles)						
31 Total commuting miles driven during the year						
32 Total other personal (noncommuting) miles driven						
33 Total miles driven during the year. Add lines 30 through 32						
34 Was the vehicle available for personal use during off-duty hours?	Yes No	Yes No	Yes No	Yes No	Yes No	Yes No
35 Was the vehicle used primarily by a more than 5% owner or related person?						
36 Is another vehicle available for personal use?						

Section C - Questions for Employers Who Provide Vehicles for Use by Their Employees

Answer these questions to determine if you meet an exception to completing Section B for vehicles used by employees who **aren't** more than 5% owners or related persons. See instructions.

	Yes	No
37 Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by your employees?		
38 Do you maintain a written policy statement that prohibits personal use of vehicles, except commuting, by your employees? See the instructions for vehicles used by corporate officers, directors, or 1% or more owners		
39 Do you treat all use of vehicles by employees as personal use?		
40 Do you provide more than five vehicles to your employees, obtain information from your employees about the use of the vehicles, and retain the information received?		
41 Do you meet the requirements concerning qualified automobile demonstration use? See instructions		

Note: If your answer to 37, 38, 39, 40, or 41 is "Yes," don't complete Section B for the covered vehicles.

Part VI Amortization

(a) Description of costs	(b) Date amortization begins	(c) Amortizable amount	(d) Code section	(e) Amortization period or percentage	(f) Amortization for this year
42 Amortization of costs that begins during your 2019 tax year (see instructions):					
43 Amortization of costs that began before your 2019 tax year					43
44 Total. Add amounts in column (f). See the instructions for where to report.					44

Document Page 20 of 29
Sales of Business Property

OMB No. 1545-0184

Form **4797****(Also Involuntary Conversions and Recapture Amounts Under Sections 179 and 280F(b)(2))****2019**Department of the Treasury
Internal Revenue Service▶ Attach to your tax return.
▶ Go to www.irs.gov/Form4797 for instructions and the latest information.Attachment
Sequence No. **27**

Name(s) shown on return

Identifying number

TARGET DRILLING INC**23-2942588**

- 1 Enter the gross proceeds from sales or exchanges reported to you for 2019 on Form(s) 1099-B or 1099-S (or substitute statement) that you are including on line 2, 10, or 20. See instructions

1**Part I Sales or Exchanges of Property Used in a Trade or Business and Involuntary Conversions From Other Than Casualty or Theft - Most Property Held More Than 1 Year (see instructions)**

2	(a) Description of property	(b) Date acquired (mo., day, yr.)	(c) Date sold (mo., day, yr.)	(d) Gross sales price	(e) Depreciation allowed or allowable since acquisition	(f) Cost or other basis, plus improvements and expense of sale	(g) Gain or (loss) Subtract (f) from the sum of (d) and (e)
Statement #603					56,722	56,722	0
3	Gain, if any, from Form 4684, line 39						3
4	Section 1231 gain from installment sales from Form 6252, line 26 or 37						4
5	Section 1231 gain or (loss) from like-kind exchanges from Form 8824.						5
6	Gain, if any, from line 32, from other than casualty or theft						6 0
7	Combine lines 2 through 6. Enter the gain or (loss) here and on the appropriate line as follows						7 0
Partnerships and S corporations. Report the gain or (loss) following the instructions for Form 1065, Schedule K, line 10, or Form 1120S, Schedule K, line 9. Skip lines 8, 9, 11, and 12 below. Individuals, partners, S corporation shareholders, and all others. If line 7 is zero or a loss, enter the amount from line 7 on line 11 below and skip lines 8 and 9. If line 7 is a gain and you didn't have any prior year section 1231 losses, or they were recaptured in an earlier year, enter the gain from line 7 as a long-term capital gain on the Schedule D filed with your return and skip lines 8, 9, 11, and 12 below.							
8	Nonrecaptured net section 1231 losses from prior years. See instructions						8
9	Subtract line 8 from line 7. If zero or less, enter -0-. If line 9 is zero, enter the gain from line 7 on line 12 below. If line 9 is more than zero, enter the amount from line 8 on line 12 below and enter the gain from line 9 as a long-term capital gain on the Schedule D filed with your return. See instructions						9

Part II Ordinary Gains and Losses (see instructions)

- 10 Ordinary gains and losses not included on lines 11 through 16 (include property held 1 year or less):

11	Loss, if any, from line 7					11 ()
12	Gain, if any, from line 7 or amount from line 8, if applicable					12
13	Gain, if any, from line 31					13 37,787
14	Net gain or (loss) from Form 4684, lines 31 and 38a					14
15	Ordinary gain from installment sales from Form 6252, line 25 or 36					15
16	Ordinary gain or (loss) from like-kind exchanges from Form 8824					16
17	Combine lines 10 through 16					17 37,787
18	For all except individual returns, enter the amount from line 17 on the appropriate line of your return and skip lines a and b below. For individual returns, complete lines a and b below.					
a	If the loss on line 11 includes a loss from Form 4684, line 35, column (b)(ii), enter that part of the loss here. Enter the loss from income-producing property on Schedule A (Form 1040 or Form 1040-SR), line 16. (Do not include any loss on property used as an employee.) Identify as from "Form 4797, line 18a." See instructions					18a
b	Redetermine the gain or (loss) on line 17 excluding the loss, if any, on line 18a. Enter here and on Schedule 1 (Form 1040 or Form 1040-SR), Part I, line 4					18b

For Paperwork Reduction Act Notice, see separate instructions.

Form **4797** (2019)

Part III Gain From Disposition of Property Under Sections 1245, 1250, 1252, 1254, and 1255

(see instructions)

19 (a) Description of section 1245, 1250, 1252, 1254, or 1255 property:		(b) Date acquired (mo., day, yr.)	(c) Date sold (mo., day, yr.)
A Statement #605			
B			
C			
D			
These columns relate to the properties on lines 19A through 19D. ►		Property A	Property B
		Property C	Property D
20	Gross sales price (Note: See line 1 before completing.)	20 40,850	
21	Cost or other basis plus expense of sale	21 166,651	
22	Depreciation (or depletion) allowed or allowable	22 163,588	
23	Adjusted basis. Subtract line 22 from line 21	23 3,063	
24	Total gain. Subtract line 23 from line 20	24 37,787	
25 If section 1245 property:			
a	Depreciation allowed or allowable from line 22	25a	
b	Enter the smaller of line 24 or 25a	25b 37,787	
26 If section 1250 property: If straight line depreciation was used, enter -0- on line 26g, except for a corporation subject to section 291.			
a	Additional depreciation after 1975. See instructions	26a	
b	Applicable percentage multiplied by the smaller of line 24 or line 26a. See instructions	26b	
c	Subtract line 26a from line 24. If residential rental property or line 24 isn't more than line 26a, skip lines 26d and 26e	26c	
d	Additional depreciation after 1969 and before 1976	26d	
e	Enter the smaller of line 26c or 26d	26e	
f	Section 291 amount (corporations only)	26f	
g	Add lines 26b, 26e, and 26f	26g	
27 If section 1252 property: Skip this section if you didn't dispose of farmland or if this form is being completed for a partnership.			
a	Soil, water, and land clearing expenses	27a	
b	Line 27a multiplied by applicable percentage. See instructions	27b	
c	Enter the smaller of line 24 or 27b	27c	
28 If section 1254 property:			
a	Intangible drilling and development costs, expenditures for development of mines and other natural deposits, mining exploration costs, and depletion. See instructions	28a	
b	Enter the smaller of line 24 or 28a	28b	
29 If section 1255 property:			
a	Applicable percentage of payments excluded from income under section 126. See instructions	29a	
b	Enter the smaller of line 24 or 29a. See instructions.	29b	

Summary of Part III Gains. Complete property columns A through D through line 29b before going to line 30.

30	Total gains for all properties. Add property columns A through D, line 24	30 37,787
31	Add property columns A through D, lines 25b, 26g, 27c, 28b, and 29b. Enter here and on line 13	31 37,787
32	Subtract line 31 from line 30. Enter the portion from casualty or theft on Form 4684, line 33. Enter the portion from other than casualty or theft on Form 4797, line 6	32 0

Part IV Recapture Amounts Under Sections 179 and 280F(b)(2) When Business Use Drops to 50% or Less
(see instructions)

		(a) Section 179	(b) Section 280F(b)(2)
33	Section 179 expense deduction or depreciation allowable in prior years	33	
34	Recomputed depreciation. See instructions	34	
35	Recapture amount. Subtract line 34 from line 33. See the instructions for where to report	35	

Form **8879-C****IRS e-file Signature Authorization for Form 1120**

OMB No. 1545-0123

For calendar year 2019, or tax year beginning _____, 2019, ending _____

2019▶ **Do not send to the IRS. Keep for your records.**▶ **Go to www.irs.gov/Form8879C for the latest information.**Department of the Treasury
Internal Revenue Service

Name of corporation

Employer identification number

TARGET DRILLING INC**23-2942588****Part I Tax Return Information** (Whole dollars only)

1	Total income (Form 1120, line 11)	1	(901,295)
2	Taxable income (Form 1120, line 30)	2	(1,924,977)
3	Total tax (Form 1120, line 31)	3	
4	Amount owed (Form 1120, line 35)	4	
5	Overpayment (Form 1120, line 36)	5	

Part II Declaration and Signature Authorization of Officer. Be sure to get a copy of the corporation's return.

Under penalties of perjury, I declare that I am an officer of the above corporation and that I have examined a copy of the corporation's 2019 electronic income tax return and accompanying schedules and statements and to the best of my knowledge and belief, it is true, correct, and complete. I further declare that the amounts in Part I above are the amounts shown on the copy of the corporation's electronic income tax return. I consent to allow my electronic return originator (ERO), transmitter, or intermediate service provider to send the corporation's return to the IRS and to receive from the IRS (a) an acknowledgement of receipt or reason for rejection of the transmission, (b) the reason for any delay in processing the return or refund, and (c) the date of any refund. If applicable, I authorize the U.S. Treasury and its designated Financial Agent to initiate an electronic funds withdrawal (direct debit) entry to the financial institution account indicated in the tax preparation software for payment of the corporation's federal taxes owed on this return, and the financial institution to debit the entry to this account. To revoke a payment, I must contact the U.S. Treasury Financial Agent at **1-888-353-4537** no later than 2 business days prior to the payment (settlement) date. I also authorize the financial institutions involved in the processing of the electronic payment of taxes to receive confidential information necessary to answer inquiries and resolve issues related to the payment. I have selected a personal identification number (PIN) as my signature for the corporation's electronic income tax return and, if applicable, the corporation's consent to electronic funds withdrawal.

Officer's PIN: check one box only

☐ I authorize _____ to enter my PIN _____ as my signature
ERO firm name do not enter all zeros
on the corporation's 2019 electronically filed income tax return.

☒ As an officer of the corporation, I will enter my PIN as my signature on the corporation's 2019 electronically filed income tax return.

42588

Officer's signature ▶

Date ▶ **02-18-2020**Title ▶ **CFO****Part III Certification and Authentication****ERO's EFIN/PIN.** Enter your six-digit EFIN followed by your five-digit self-selected PIN.**250821 15241**

do not enter all zeros

I certify that the above numeric entry is my PIN, which is my signature on the 2019 electronically filed income tax return for the corporation indicated above. I confirm that I am submitting this return in accordance with the requirements of **Pub. 3112**, IRS e-file Application and Participation, and **Pub. 4163**, Modernized e-File (MeF) Information for Authorized IRS e-file Providers for Business Returns.

ERO's signature ▶

Date ▶ **02-19-2020**

ERO Must Retain This Form - See Instructions
Do Not Submit This Form to the IRS Unless Requested To Do So

For Paperwork Reduction Act Notice, see instructions.

Form **8879-C** (2019)

EEA

Federal Supporting Statements**2019** PG01

Name(s) as shown on return

Tax ID Number

TARGET DRILLING INC

23-2942588

FORM 1120 - LINE 10 - OTHER INCOME

Statement #1

DESCRIPTION	AMOUNT
SCRAP SALE INCOME	28,600
TOTAL	28,600

FORM 1120 - LINE 26 - OTHER DEDUCTIONS

PG01
Statement #5

DESCRIPTION	AMOUNT
INSURANCE	1,500
OFFICE EXPENSE	97,142
ACCOUNTING AND PROFESSIONAL	60,877
BANK CHARGES	31,417
DUES AND SUBSCRIPTIONS	1,444
PAYROLL SERVICE FEES	6,440
TELEPHONE/FAX/INTERNET	60,879
UTILITIES	26,512
OTHER EXPENSES	3,831
TOTAL	290,042

SCHEDULE L - LINE 6

PG01
Statement #8

DESCRIPTION	BEG OF YEAR	END OF YEAR
EMPLOYEE ADVANCES	17,190	18,268
TOTAL	17,190	18,268

Federal Supporting Statements**2019 PG01**

Name(s) as shown on return

Tax ID Number

TARGET DRILLING INC

23-2942588

SCHEDULE L - LINE 14

Statement #10

DESCRIPTION	BEG OF YEAR	END OF YEAR
CASH SURRENDER VALUE	3,125	898
DEFERRED TAX ASSET	154,160	572,480
CAP DEV COSTS	1,631,883	368,507
OTHER RECEIVABLE		40,136
TOTAL	<u>1,789,168</u>	<u>982,021</u>

SCHEDULE L - LINE 18

PG01

Statement #11

DESCRIPTION	BEG OF YEAR	END OF YEAR
CORP TAXES PAYABLE	2,000	1,000
P/R AND TAX ACCRUALS	69,905	8,744
TOTAL	<u>71,905</u>	<u>9,744</u>

SCHEDULE L - LINE 21

PG01

Statement #12

DESCRIPTION	BEG OF YEAR	END OF YEAR
DEFERRED INCOME TAXE	78,314	168,833
TOTAL	<u>78,314</u>	<u>168,833</u>

Federal Supporting Statements**2019 PG01**

Name(s) as shown on return

Tax ID Number

TARGET DRILLING INC

23-2942588

SCHEDULE M-1 LINE 4
INCOME NOT RECORDED ON BOOKS

Statement #15

DESCRIPTION	AMOUNT
T>B GAIN ON FIXED ASSET DISPOSAL	5,757
TOTAL	<u>5,757</u>

Schedule M-1 Line 5C
Expenses recorded on Books

PG01
Statement #16

DESCRIPTION	AMOUNT
MEALS(50%)	43,076
DEFERRED STATE TAXES	81,029
OFFICERS LIFE INSURANCE	20,078
TOTAL	<u>144,183</u>

FORM 1125A - LINE 5 - OTHER COST

PG01
Statement #7

DESCRIPTION	AMOUNT
Depreciation	394,203
VEHICLES AND TRAVEL	176,974
EQUIPMENT RENTAL & REPAIRS	261,133
FREIGHT CHARGES	15,911
INSURANCE	257,859
LODGING	120,701
SITE RENTAL/PREP/STARTUP	1,485
PAYROLL TAXES	162,953
EE BENEFITS AND MEDICAL	85,376
SUBCONTRACT / MISC LABOR	19,749
RETIREMENT PLAN EXPENSE	1,181
STATE REGISTRATION FEES	899
MEALS (50%)	43,076
CDC IMPAIRMENT	1,515,904
TOTAL	<u>3,057,404</u>

Federal Supporting Statements

2019 PG01

Name(s) as shown on return

Tax ID Number

TARGET DRILLING INC

23-2942588

FORM 4797 - PART 1

Statement #603

DESCRIPTION	ACQUIRED	SOLD	SALE PRICE	DEPR.	COST/BASIS	NET
2004 HAULMARK KODIAK	10-22-2003	02-20-2019	0	4,427	4,427	0
DESCRIPTION	ACQUIRED	SOLD	SALE PRICE	DEPR.	COST/BASIS	NET
2006 QUALITY 18' DH CONSTRUCT TRAILER	09-13-2006	02-21-2019	0	3,454	3,454	0
DESCRIPTION	ACQUIRED	SOLD	SALE PRICE	DEPR.	COST/BASIS	NET
2005 FORD F150 - TRADE 118	09-03-2008	02-21-2019	0	7,875	7,875	0
DESCRIPTION	ACQUIRED	SOLD	SALE PRICE	DEPR.	COST/BASIS	NET
2008 TOYOTA TUNDRA	02-20-2008	05-28-2019	0	30,967	30,967	0
DESCRIPTION	ACQUIRED	SOLD	SALE PRICE	DEPR.	COST/BASIS	NET
OSCILLOSCOPE	02-15-2009	02-20-2019	0	4,159	4,159	0
DESCRIPTION	ACQUIRED	SOLD	SALE PRICE	DEPR.	COST/BASIS	NET
ELECTRONIC ACCELEROMETER	10-09-2009	02-20-2019	0	5,840	5,840	0
TOTAL			<u>0</u>	<u>56,722</u>	<u>56,722</u>	<u>0</u>

Federal Supporting Statements

2019 PG01

Name(s) as shown on return

Tax ID Number

TARGET DRILLING INC

23-2942588

FORM 4797 - PART 3

Statement #605

			LINE 20	LINE 21	LINE 22	LINE 24		
DESCRIPTION	ACQUIRED	SOLD	SALE PRICE	COST/BASIS	DEPR.	NET	LINE 25A	LINE 25B
2005 FORD F150	01-07-2005	02-15-2019	250	22,684	22,684	250	22,684	250
DESCRIPTION	ACQUIRED	SOLD	SALE PRICE	COST/BASIS	DEPR.	NET	LINE 25A	LINE 25B
2005 FORD F150	01-07-2005	02-15-2019	300	22,292	22,292	300	22,292	300
DESCRIPTION	ACQUIRED	SOLD	SALE PRICE	COST/BASIS	DEPR.	NET	LINE 25A	LINE 25B
2003 WESTERN STAR	01-25-2011	11-07-2019	21,000	76,200	76,200	21,000	76,200	21,000
DESCRIPTION	ACQUIRED	SOLD	SALE PRICE	COST/BASIS	DEPR.	NET	LINE 25A	LINE 25B
2006 FORD F150	04-25-2011	03-28-2019	300	18,780	18,780	300	18,780	300
DESCRIPTION	ACQUIRED	SOLD	SALE PRICE	COST/BASIS	DEPR.	NET	LINE 25A	LINE 25B
VERMEER ONE DCIF5	07-15-2016	07-09-2019	19,000	26,695	23,632	15,937	23,632	15,937
TOTAL			<u>40,850</u>	<u>166,651</u>	<u>163,588</u>	<u>37,787</u>	FORM 4797, LINE 31 =	<u>37,787</u>

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Taxes and Licenses Attachment

Note: This information does not transmit to the IRS with e-filed returns.
Including with a paper filed return is optional.

2019

CORPORATION NAME

EIN

TARGET DRILLING INC**23-2942588****Taxes and Licenses**

Form 1120, line 17

Form 1120-C, line 15

Form 1120-H, line 12

1	State income taxes	1	(191,429)
2	State franchise taxes	2	
3	City income taxes	3	
4	City franchise taxes	4	
5	Real estate taxes	5	
6	Local property taxes	6	
7	Intangible property taxes	7	
8	Payroll taxes	8	
9	Less: credit from Form 8846	9	
10	Foreign taxes paid	10	
11	Occupancy taxes	11	
12	Other miscellaneous taxes	12	25,232
13	Licenses	13	
14	Total to Form 1120, Page 1, Line 17	14	(166,197)

**Form 1120-LT, Schedule C, Line 9a, Column (a),
Patronage NOL Deduction**

(Keep for your records)

2019

Name(s) as shown on return

Tax ID Number

TARGET DRILLING INC

23-2942588

Year	Loss Carryover/ Carryback	Increase of NOL Due to Sec 170(d)(2)(B) Contribution Reduction*	Loss Applied to 2019	Unused Loss	Unused Sec 170(d)(2)(B)
1999				Expiring this year	Expiring this year
2000					
2001					
2002					
2003					
2004					
2005					
2006					
2007					
2008					
2009					
2010					
2011					
2012					
2013					
2014					
2015					
2016					
2017	726,094			726,094	
2018					
	Current year NOL		Applied to Prior Years	Remaining 2019 NOL carryover	
2019	1,924,977			1,924,977	
	Future years NOL		Applied to 2019		
Future Years					
TOTALS	2,651,071		0	2,651,071	0

* A corporation having a net operating loss (NOL) carryover from any taxable year must apply the special rule of §170(d)(2)(B). The rules are designed to prevent a double tax benefit through interaction of NOL and charitable contribution carryovers. The excess charitable deduction can reduce taxable income only once. Under these rules, a corporation's charitable contributions carryover (but not the NOL carryover) must be reduced, to the extent the charitable contribution deduction, in computing the taxable income of an intervening year, would increase the NOL to a succeeding year.